

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NORTH CAROLINA  
ASHEVILLE DIVISION**

**C.A. NO.: 1:21-cv-00260-MOC-WCM**

Schumacher Homes of North Carolina, Inc.,  
and Richard Smothers,

Plaintiffs,

v.

**AFFIDAVIT OF KEITH BUCHANAN**

Keith Buchanan and Dianna Buchanan,  
individually,

Defendants.

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BEFORE ME, the undersigned authority, came Keith Buchanan, who deposed and said as follows under oath:

1. My name is Keith Buchanan. I am over the age of eighteen and competent to testify to the matters stated herein.
2. My wife and I are the named Defendants in the above action, in which Schumacher Homes has sued us for defamation and other claims and is now seeking a temporary restraining order.
3. I have read Schumacher's verified complaint, as well as the Motion for Temporary Restraining Order, the Brief in Support of Motion for Temporary Restraining Order, and the materials submitted in support of the Motion, including the Declaration of Richard Smothers.

4. The materials submitted contain numerous inaccuracies which I rebut with this affidavit.
5. Critically, while I admit that I operate the website [www.schumachervictims.com](http://www.schumachervictims.com) and have made contact with many of Schumacher's former, existing, and prospective customers, **I vehemently deny that I have communicated anything other than the truth in my representations about Schumacher Homes.**
6. My statement that Schumacher Homes lacked job site supervision is true, as many times I was present to observe Schumacher Homes' subcontractors on the build site for our home and there were numerous instances where the subcontractors lacked direction from a Schumacher representative of any kind. Since forming the website and networking with other Schumacher victims, many others have confirmed a similar experience.
7. My statements generally indicating that Schumacher Homes used unqualified and/or untrained labor are also true. As mentioned, the subcontractors that I observed often did not know what to do or how to perform their work. Multiple times throughout the build they had to come to me for directions. Since forming the website and networking with other Schumacher victims, many others have confirmed a similar experience.
8. My statements regarding the use of inferior or differentiating components than advertised is true. As but one example, Schumacher's own contract and scope of work promised the delivery of finished cherry wood cabinetry throughout the home; however, the cabinets actually delivered by Schumacher were made of particle board—a far cheaper and inferior material than what was advertised, promised, and even submitted to an appraiser for valuation.
9. As a major example of the drastic shortcoming in Schumacher's work, my wife and I have recently learned that the foundation walls were installed by Schumacher without any

vertical reinforcement rebar and with only a single band of horizontal rebar on one side of the building. This is a blatant violation of the North Carolina Building Code, and the foundation is completely defective. As a further violation of the Building Code, the CMU foundation walls were also laid without grout.

10. This condition has manifested itself in the form of growing cracks in our foundation, sagging floors, cracks in the interior walls, numerous doors that will not open or close correctly, molding pulling away from the walls, and nail/screw withdrawals—all signs that the structure of our home is shifting and sinking with the defective foundation.
11. As a result, our entire foundation of the home must now be completely torn out and rebuilt. Practically speaking, we have to **tear down and rebuild the entire home that Schumacher delivered**, and our damages against Schumacher **will likely exceed \$500,000 at this point.**
12. The foundation condition is documented in the engineering reports enclosed with my affidavit here as **Exhibits A and B** to this affidavit.
13. Ours is not the only Schumacher-built house with foundation problems. Attached hereto is a field investigation report from the Board of Licensing for General Contractors showing that Schumacher Homes failed to obtain a required foundation and footer inspection prior to pouring in another home back in 2019. **See Exhibit C.**
14. My statements about lenders refusing to issue loans for Schumacher and other contractors like Schumacher are true. Many banks these days refuse to issue loans when the only recourse in the construction contract is for arbitration, and Schumacher's contract has a very strong arbitration clause, in which the contracting parties agree to waive their rights to a jury trial.



15. My statements about neighborhoods refusing to allow Schumacher builds are true. A number of homeowners' associations and/or property developments around Western North Carolina have internal policies and/or preferences to allow only certain approved builders in their developments on account of the problems with builders like Schumacher in delivering quality builds. Such neighborhoods include Grand Highlands, the Boulder, the Cliffs, and the Ramble. One such neighborhood is specifically undertaking this restriction on account of Schumacher's work.
16. The primary purpose of the website [www.schumachervictims.com](http://www.schumachervictims.com) is to network with others who have been victimized by Schumacher's practices, and to put the world on notice of the drastic shortcomings in Schumacher's work so that others may protect themselves from Schumacher's predatory schemes. We do not want anyone else to have to tear down their brand new home, the way that we must now.
17. Since creating the advocacy group, no fewer than ten Schumacher Victims have come forward to thank us for our advocacy and to disclose a multitude of problems they have experienced in dealing with Schumacher Homes. Their communications are enclosed in **Exhibit D** to this affidavit, and they stand ready to assist us in our efforts to hold Schumacher Homes and Richard Smothers accountable for their actions. They wish to help prevent further harm from coming to the general public.
18. I noticed that Schumacher mentioned the Better Business Bureau ("BBB") in its filings. I looked at the reviews and found 47 negative complaints filed in the last 36 months on the BBB website against Schumacher. Only one of those complaints was from me. See **Exhibit E** for a screenshot taken October 1, 2021, showing not only the 47 complaints, but also Schumacher's average rating of 1.25 / 5 stars.

19. I also noticed that some of the customer emails from Schumacher discussed reviewing employee ratings of Schumacher Homes. I am in no way responsible for poor employee ratings against Schumacher.
20. Between the terrible BBB reviews and apparent poor employee ratings, I am at a loss as to how Schumacher can singularly blame me for any lost business when its poor reputation is so widely published and available on the internet outside of my website.
21. To show the seriousness of my allegations against Schumacher Homes, I have made a complaint against Schumacher to the North Carolina Licensing Board for General Contractors, which is found in **Exhibit F**. The recent developments concerning our foundation were not a part of the original complaint; however, they have been shared with the Board's field investigator Ryan Cody as of last month.
22. In the meantime, the Licensing Board has issued a probable cause finding as a result of our complaint, concluding that probable cause exists to conclude that Schumacher Homes and Richard Smothers have violated N.C.G.S. § 87-11, which empowers the Board to take disciplinary action against licensees, "if a general contractor licensed under this Article is found guilty of any fraud or deceit in obtaining a license, or gross negligence, incompetency, or misconduct in the practice of his or her profession, or willful violation of any provision of this Article." (emphasis added). The probable cause finding document is attached as **Exhibit G** hereto.
23. Presently, the disciplinary hearing before the Licensing Board has not been scheduled, and the field investigator has asked me to wait until the Board's legal counsel takes up the hearing before releasing the field investigation report to me.

24. I also filed a complaint with the North Carolina Attorney General's office, and their investigator told me that they have received numerous recent complaints about Schumacher Homes.

25. I suspect Schumacher has begun to act now through this temporary restraining order, in part because it hopes to silence me and deter others from taking action while these complaints and proceedings are moving forward with the North Carolina Licensing Board for General Contractors and the Attorney General's office.

26. If we are silenced by the temporary restraining order or any attempt at a preliminary injunction, not only would such a muzzle prevent us from advocating against further Schumacher harms—it could also chill efforts by others to speak out against Schumacher's predatory practices.

Further the affiant sayeth not.

  
Keith Buchanan

STATE OF NORTH CAROLINA  
COUNTY OF McDOWELL

Sworn to and subscribed before me this 1<sup>st</sup> day of October, 2021.



  
Notary Public

My Commission Expires: 06/23/2024